

## Message Text

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ORIGIN EA-12

INFO OCT-01 ISO-00 SS-15 EB-08 EUR-12 SP-02 TRSE-00  
NSC-05 STR-07 COME-00 AGRE-00 LAB-04 CEA-01 /067 R

DRAFTED BY EA/J:H A COCHRAN:EH  
APPROVED BY EA: E H HEGINBOTHAM  
E:R N COOPER  
EA/J:A ROMBERG CEA:WNORDHAUS (SUBS)  
E:J WILSON (SUBS)  
EB:S AHMAD (SUBS)  
TREAS:L WIDMAN LAB:GPRATT (SUBS)  
STR:W BARREDA (SUBS)  
COMMERCE:F WEIL (SUBS)  
AGRICULTURE:E SCHUH  
DESIRED DISTRIBUTION  
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-----036371 310317Z /64  
P 310029Z AUG 78  
FM SECSTATE WASHDC  
TO AMEMBASSY TOKYO PRIORITY

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E.O. 11652: N/A

TAGS: EFIN, ETRD, JA

SUBJECT: US-JAPAN SUBCABINET MEETING

1. ASSISTANT SECRETARIES AGREED AT JULY 27 MEETING THAT IT  
WOULD BE USEFUL TO CONTINUE THE SUBCABINET CONSULTATIONS  
WITH JAPAN COUNTERPARTS AND DECIDED TO INVITE JAPANESE  
REPRESENTATIVES TO WASHINGTON AT A MUTUALLY CONVENIENT DATE.  
REQUEST EMBASSY INVITE GOJ TO SEND SUBCABINET DELEGATION TO  
WASHINGTON FOR TWO DAYS OF CONSULTATIONS AT BEGINNING OF  
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OCTOBER.

2. TIMING. WE THINK MOST CONVENIENT TIMING WOULD BE IMME-  
DIATELY AFTER IMF/WORLD BANK MEETINGS IN WASHINGTON. MINIS-  
TER OF AGRICULTURE NAKAGAWA IS SCHEDULED TO VISIT THE WEEK  
OF SEPTEMBER 4, A LARGE GOJ ENVIRONMENTAL DELEGATION IS  
SCHEDULED TO VISIT IN MID-SEPTEMBER. IF GOJ AGREES, WE

WOULD LIKE TO ARRANGE SUBCABINET MEETINGS FOR OCTOBER 3-4 (TUESDAY AND WEDNESDAY). EARLIER DATES POSE CONFLICTS FOR KEY US PARTICIPANTS. WE ENVISAGE A DAY AND A HALF FOR THE TALKS, BEGINNING THE MORNING OF OCTOBER 3 AND RUNNING UNTIL NOON OR PERHAPS THE EARLY AFTERNOON OCTOBER 4.

3. PARTICIPANTS. ON THE US SIDE, WE WOULD ENVISAGE SOME ADDITIONS TO LAST YEAR'S PARTICIPATION, I.E.

STATE UNDER SECRETARY RICHARD N. COOPER  
TREASURY UNDER SECRETARY ANTHONY M. SOLOMON  
AMBASSADOR HENRY OWEN  
DEPUTY STR AMBASSADOR ALAN W. WOLFF  
COMMERCE ASSISTANT SECRETARY FRANK WEIL  
AGRICULTURE ASSISTANT SECRETARY DALE HATHAWAY  
CEA MEMBER WILLIAM NORDHAUS  
LABOR DEPUTY UNDER SECRETARY HOWARD SAMUEL

4. ON THE JAPANESE SIDE, WE WOULD IMAGINE THAT A ROUGHLY SIMILAR DELEGATION COULD BE COMPOSED, AFTER MAKING ALLOWANCES FOR DIFFERENT BUREAUCRATIC STRUCTURES. WE WOULD HOPE APPROPRIATE REPRESENTATIVES FROM MOFA, MOF, MITI, MAFF, AND EPA COULD PARTICIPATE.

5. THE ASSISTANT SECRETARIES' GROUP ON JAPAN DECIDED THAT THE SUBCABINET MEETINGS SHOULD REVIEW MACRO-ECONOMIC POLI-  
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CIES, INCLUDING GOJ ACTIONS WITH REGARD TO A COMMITMENT ON GROWTH AND CURRENT ACCOUNT, BUT SHOULD CONCENTRATE MAINLY

ON MICRO-ECONOMIC TOPICS, PARTICULARLY STEPS TO OPEN JAPAN'S MARKETS TO IMPORTS. PROPOSED AGENDA TOPICS INCLUDE THE FOLLOWING:

MACROECONOMIC CONDITIONS IN THE US AND JAPAN AND POLICIES ADOPTED TO FULFILL THEIR RESPECTIVE COMMITMENTS, INCLUDING US INFLATION AND GROWTH PROSPECTS

JAPANESE GROWTH AND CURRENT ACCOUNT PROSPECTS

WORLD TRADE AND MTN PROSPECTS

RELATIONS WITH DEVELOPING COUNTRIES, INCLUDING COMMON FUND AND OTHER COMMODITY ISSUES

SPECIFIC CURRENT ADJUSTMENT POLICIES

TRADE FACILITATION COMMITTEE  
ADJUSTMENT POLICIES (INCLUDING HIGH YEN COUNTERMEASURES)

TRADE FLOW RESPONSES TO EXCHANGE RATE MOVEMENTS,  
INCLUDING PASS-THROUGH OF PRICE EFFECTS ON JAPANESE  
IMPORTS  
ENERGY POLICIES, INCLUDING PROGRESS ON US ENERGY  
LEGISLATION  
GOVERNMENT PROCUREMENT LIBERALIZATION  
IMPORT AND EXPORT FINANCING MEASURES IN CURRENT ACCOUNT  
ADJUSTMENT

STRUCTURAL ADJUSTMENT POLICIES

6. WE SEE SUBCABINET AS OPPORTUNITY FOR POLICY MAKERS ON  
BOTH SIDES TO HAVE OPPORTUNITY FOR IN-DEPTH DISCUSSIONS OF  
SOME OF THE ISSUES THEY WILL BE DEALING WITH OVER THE NEXT  
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SEVERAL MONTHS. MEETINGS WILL ALSO GIVE BOTH SIDES A  
CHANCE TO GET ACQUAINTED PERSONALLY, WHICH WILL BE ESPE-  
CIALLY USEFUL SINCE MANY ON THE JAPANESE SIDE HAVE ONLY  
ASSUMED THEIR POSTS IN THE LAST SEVERAL MONTHS. FINALLY,  
MEETING WILL HELP BOTH SIDES BETTER UNDERSTAND FORCES AND  
CONSTRAINTS UNDER WHICH WE OPERATE.

8. ACTION REQUESTED. REQUEST EMBASSY PROPOSE FORMALLY TO  
GOJ THAT SUBCABINET BE HELD IN WASHINGTON ON DATES SUG-  
GESTED ABOVE, INQUIRE AS TO GOJ PARTICIPANTS AND AS TO  
ACCEPTABILITY OF AGENDA. CHRISTOPHER

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## Message Attributes

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**Decaption Note:**  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 20 Mar 2014  
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**TAGS:** EFIN, ETRD, JA  
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**Type:** TE  
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